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FM USOFFICE PRISTINA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7379  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 1157  
RHMFISS/CDR USEUCOM VAIHINGEN GE PRIORITY  
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK PRIORITY  
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RHEHNSC/NSC WASHDC PRIORITY  
RUEAWJA/DEPT OF JUSTICE WASHDC PRIORITY  
RUFOANA/USNIC PRISTINA SR PRIORITY

C O N F I D E N T I A L SECTION 01 OF 04 PRISTINA 000404

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DEPT FOR EUR/SCE, SCRS, DRL, INL, PRM, AND S/WCI, NSC FOR  
BRAUN, USUN FOR DREW SCHUFLETOWSKI, USOSCE FOR STEVE STEGER

E.O. 12958: DECL: 05/22/2017  
TAGS: [PGOV](#) [PREF](#) [UNMIK](#) [EAID](#) [YI](#)  
SUBJECT: KOSOVO: SERB RETURNS HAMPERED BY A COMPLEX MIX OF  
FACTORS

REF: A. PRISTINA 56

[1](#)B. PRISTINA 336

[1](#)1. (C) SUMMARY: There have been 16,458 cases of known minority returns to Kosovo since the 1999 conflict out of an estimated population of 230,000 displaced persons. Current impediments include most prominently lack of employment opportunities, concerns (real and exaggerated) over security, poor social services, residual property related issues, lack of funds for major reconstruction of housing, and -- increasingly -- negative pressure from hardline Serb political leaders. The Kosovo government has spent millions of euro on returns projects, but the models used for these returns vary and have a large impact on success. In the case of large organized returns, the failure of several projects - Zociste, Srbski Babush, Babljak, Svinjare, Belo Polje, and Istog - make it clear that even if houses are rebuilt, Serbs may not necessarily come back. In contrast, the PRM-supported model of facilitated individual and small-group return projects, as well as support after arrival to spontaneous returns, has proven to be more economical and sustainable. NGOs and representatives of Serb IDPs also confirm that it will be important to support the existing Serb community in Kosovo if there is hope for further returns; we agree strongly, and will continue to press local authorities as well as the relevant international agencies to resolve property issues in particular as a sign of commitment to future return. The government in Belgrade could help avoid an exodus of existing Serb communities, as well, by reassuring Serbs in Kosovo that no matter what the status decision, financial support for salaries and pensions will not be disrupted and will continue to flow. END SUMMARY.

RETURNS TO DATE

[1](#)2. (U) International organizations including UNDP and UNHCR, together with the PISG, NGOs, and bilateral donors, have supported 16,458 minority individuals who have returned to Kosovo since 1999. The USG, through State's Bureau of Population, Refugees, and Migration (PRM), supported from 25 to 50 percent of these returns on an annual basis. Of those returning, 43 percent were Serbs, 26 percent

Askhali/Egyptian, 12 percent Roma, 9 percent Bosniak, 4 percent Gorani, and 4 percent Albanian. Returns per year reached a peak of 3,801 in 2003, declining to only 1,622 in 2006. According to UNHCR statistics from 2006, 45 percent of the returns were spontaneous, 25 percent organized, and 30 percent facilitated. Organized returns, or returns of generally twenty or more families -- often to newly constructed settlements -- have proven far more expensive than individual returns. For example, a PRM-facilitated returnee costs up to \$10,000, including minor shelter repair and income generation, whereas a returnee supported through an organized project costs 22,000 to 40,000 euros, according to UNMIK's Office of Communities, Returns, and Migration (OCRM).

#### ORGANIZED RETURNS: IF YOU BUILD IT, WILL THEY COME?

13. (U) Despite (or perhaps because of) expenditures of significant political and economic capital on returns, most of the highest profile organized returns projects in Kosovo have failed to attract permanent returnees. The reasons for minorities not returning are case specific, ranging from uncertainty over status, lack of employment opportunities, unresolved property issues, security concerns, disputes among local leaders, inadequate access to public services, and, increasingly, pressure from the hardline Serb leadership in Kosovo. Despite claims by some Serbs that security was the driving factor in their reluctance to return, lack of jobs and negative political pressure appeared to be the most consistent obstacle to return across the spectrum of large-scale projects: Zociste, Srbski Babush, Babljak, Svinjare, Belo Polje, and Istog.

14. (SBU) Zociste village (Rahovec/Orahovac municipality)

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was the pet project of the former Minister for Communities and Returns, Slavisa Petkovic, who was removed by PM Ceku under a cloud of corruption charges in November 2006. Started in 2003, the PISG spent 1.4 million euros on the construction of 44 houses (41 Serb, 3 Albanian), infrastructure, and a health clinic. During our visit in May 2007, only two Serb monks had returned. (Note: KFOR is protecting the church where the monks live. End note.) Serbs from Zociste are conditioning their return on the provision of running water and sanitation, which the PISG has agreed to provide. Current Minister of Communities and Returns Branislav Grbic told us that once these facilities exist, the Serbs will return. However, the project contains no income generation component, making its economic sustainability questionable.

15. (SBU) At 2.4 million euros, Srbski Babush village (Ferizaj/Urosevac municipality), located 40 kilometers south of Pristina, is the largest and most expensive returns project in Kosovo funded by the PISG. The reconstruction work on 74 houses and a school was completed in December 2006 with a major balancing infrastructure component in the neighboring Albanian village of Surcina. As of May 2007, no Serbs had returned, although five had taken delivery of their furniture. Serb village representatives expressed dissatisfaction with their reconstructed homes, concerns about the local school curriculum, and demanded additional grants for furniture, income generation, a police substation, and a communal poultry farm, which is currently out to tender. One UNDP official told us "everything is perfect; there is nothing more we can put in (Babush). It now depends on people returning to make the (income generation) part work." UNDP and the ministry cite pressure on village leaders from former Minister Petkovic, who does not want to see the project succeed without him, as a key driving force against the returns.

16. (U) In the mixed rural community across from Babush, Babljak village (Ferizaj/Urosevac municipality), the PISG funded the reconstruction of 17 Serb houses, repaired two

Albanian houses, built a new school and a health clinic, and completed electrical work on 32 Albanian and Serb houses. There is no economic sustainability component to the project, but the project implementer provides food and daily transport from Babljak to the Serb-majority areas of Gusterica and Gracanica. Twenty-three Serbs returned to Babljak in August 2003; as of May 2007, 15 of the 23 reportedly stay the night, with the rest living elsewhere in Kosovo, where they found jobs.

17. (SBU) Svinjare is a mixed agricultural community located three kilometers south of Mitrovica whose residents historically worked at the Trepca mine and battery factory. The recent UNSC delegation that visited Kosovo drove through Svinjare and received a briefing on reconstruction efforts there (ref b). With PISG funding, and as one of the 13 Contact Group Priority Standards, 137 houses destroyed during the March 2004 violence were rebuilt. Former Svinjare residents expressed dissatisfaction with the quality of construction, demanded reconstruction of secondary buildings, grants of 2000 euros, and a local police station. To address these concerns, the Ministry transferred 167,000 euros to the municipality's budget. Secondary buildings were reconstructed, and a local police station was established at the entrance to the village. However, as of May 2007, only one family (which returned almost immediately after the March 2004 riots) lives permanently in the village. In summer months, other families visit daily to tend their gardens, taking the 3 pm train back to Zvecan, where some live in relative luxury and others in squalor (ref a). Seven Serbs have sold their houses in Svinjare to Albanians; others have expressed an interest in selling. Reported reasons for Svinjare's failure include dissatisfaction with the reconstruction, concerns about security, and political pressure. UNMIK/OCRM told us -- and we have confirmed this with several former Serb residents -- that the position of

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the hardline Serb leadership in Kosovo's north opposing any return is the primary hindrance.

18. (U) Belo Polje is a suburb of Peja municipality, western Kosovo, where 82 houses were reconstructed in 2002/2003 with funds from the PISG and the Danish government. In the March 2004 violence, the houses were burned and the people displaced again. After subsequent reconstruction, some residents returned, but the numbers are declining because there are no economic opportunities. As of May 2007, less than ten Serbs remained. In one other major effort, the Russian government granted two million dollars to the Serbian Coordination Center for Kosovo (CCK) to fund the reconstruction of 45 houses in Lug and Blagaca village (Istog/Istok municipality). There are presently only fifteen families who have returned; the municipality of Istog put in a new water system after the Serbs requested it. Like Babljak, the project includes no income generation component.

PISG: ORGANIZED RETURNS CAN BE SUCCESSFUL

19. (U) Since its creation, the PISG has spent more than 40 million euro on returns. Current Minister of Communities and Returns Grbic gave us the following breakdown of the 2007 budget: four organized returns projects encompassing half of the total budget of 5.2 million euro, 500,000 euro for individual returns, and two million euro for community projects. Grbic explained that the ministry will leverage its relatively low investment in individual returns against significant funding from UNDP for the reconstruction of houses. Asked about the failure of previous PISG-funded organized return projects, Grbic pointed to the large size of the projects and political dynamics as the main sources of problems. He stressed that the initial assessment process needs to be expanded to provide a detailed profile with information on returnees' technical skills that can inform location and income generation decisions. He also said that

the ministry will prioritize urban returns, mid-sized projects (20-30 families), and projects that build on previous successful return sites, like Klinavac village in Klina municipality. Grbic believes that by applying these lessons, organized returns can be successful.

#### FACTORS FOR SUCCESS

¶10. (U) Despite the overall poor track record of organized returns in Kosovo, some successes exist. These projects tend to have in common a beneficiary-driven process, facilitation of dialogue between the local community and the returnees to prepare the community to accept their old neighbors back, and an income generation component to ensure returnees have economic opportunities. One such example is Klinavac village (Klina municipality). Seventeen Serb and five Roma families returned to Klinavac village in November 2006. The project, implemented by Klina municipality in cooperation with UNDP, included infrastructure work, 2,000 euro grants per family for the acquisition of the necessary machines and tools, and two communal tractors. UNDP also plans to build a milk collection center. Returnees have expressed satisfaction with the assistance provided, and requested a small grocery and new school for the village.

#### COMMENT

¶11. (C) A complex mix of factors has hampered the return of Serbs to Kosovo. Poor planning, an overall lack of economic opportunity, real or perceived fears among Serbs about freedom of movement and security, diminished resources from international donors, and the reality of continued lack of trust between the two ethnic communities makes these returns a continuing challenge. The Kosovo government has gone a distance towards trying to address some of these issues, and has invested substantial sums in the reconstruction of homes, but drags its feet on other key factors that might encourage returns, including implementation of property provisions that

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would return agricultural and commercial properties to their Serb owners.

¶12. (C) Increasingly, as well, the issue of returns has become a political football used by the hardline Serb leadership to demonstrate that an independent Kosovo cannot be trusted to care for its minority population. The large gathering of IDPs and refugees at the Serbian-Kosovo border during the recent UN Security Council visit -- supposedly spontaneously organized but in fact sponsored by the northern Serb leadership -- was just the latest example of the politicization of the IDP issue. We continue to work through a variety of means to put in place the conditions for returns, though we agree with the assessment of a Serb NGO representative who made clear to COM recently that the existing Serb population in Kosovo must be nurtured and sustained if further returns are to succeed. The regime in Belgrade could help with this by reassuring Serb residents of Kosovo that, no matter what the status outcome, payments of salaries and pensions will continue unabated and Kosovo Serbs need not fear a cutoff of their financial support from Belgrade under any circumstances. Whether Belgrade will agree to do so is a test of their real concern for the Serb community in Kosovo vice their intent to use Serbs here for their own political purposes. End Comment.

KAIDANOW